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REDACTED - FOR PUBLIC INSPECTION

EX PARTE

June 19, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: *In the Matter of Special Access Rates for Price Cap Local Exchange Carriers –
WC Docket No. 05-25, RM 10593*

Dear Ms. Dortch:

On April 20, 2012 representatives from CenturyLink met with Commission staff to discuss Special Access Discount Plan Terms and Conditions. In the course of that meeting several questions were raised that required follow-up by the company. The questions and CenturyLink's responses are as follows:

1. How does CenturyLink segregate its customers? What is the breakdown in revenues among these groups?

Response: CenturyLink has three primary customer segments: Regional Markets, which includes residential and small business customers; Enterprise Markets, which includes large business and governmental entities and also customers of cloud-based services; and Wholesale Markets, which includes carrier customers, such as IXC's, wireless providers (including special access services to their cell towers) and CLECs.

For the year ending December 31, 2011, CenturyLink's total revenues for each of the three segments were as follows:

*Regional Markets - \$7.8 billion
Enterprise Markets - \$3.34 billion
Wholesale Markets - \$3.29 billion*

*Capital expenditures for 2011 totaled \$2.38 billion
(Source: CenturyLink's 4th Quarter 2011 Earnings Release)*

2. For CenturyLink's CLEC operations, what percentage of its out-of-territory purchases are from CLECs vs. ILECs?

Response: Based on data for March 2012, the approximate percent breakdown is [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] CLEC purchases and [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] ILEC purchases.

3. Where does the contract language today reside for discounts? Is it in a contract that is filed at the FCC?

Response: For areas subject to full tariff regulation, CenturyLink may provide discounts only in its generally available tariff on file with the Commission. For areas where CenturyLink has pricing flexibility, the discount language is incorporated in a contract-based tariff, which is filed with the Commission. For forbore services, the discount language generally is found in commercial agreements. CenturyLink posts a high level summary of retail agreements for forbore services on its public website.

4. How long do additional customers have to sign onto an existing contract-based tariff?

Response: Contract-based tariffs are filed with the Commission and available for review. Typically, the opt-in window for a contract-based tariff is open 30 days.

5. How many contract-based tariffs does CenturyLink have?

Response: CenturyLink has entered into more than 300 contract-based tariffs.

6. How many customers subscribe to each contract-based tariff?

Response: CenturyLink's contract-based tariffs are individually negotiated and tailored to meet individual customers' needs. Consequently, it is rare for a customer to opt into an existing contract-based tariff negotiated by a different customer.

Pursuant to the *Modified Protective Order*,¹ CenturyLink requests confidential treatment of the data it is supplying in response to the second question above -- namely the percent breakdown of its out-of-region purchases from CLECs and ILECs respectively. These data constitute proprietary, commercially sensitive information not routinely released to the public. Public release of this information would give CenturyLink's competitors insight into CenturyLink's cost structure and therefore would enable those competitors to gain a significant advantage in the marketplace. This is particularly the case given the high degree of competition for the telecommunications and information services provided by CenturyLink. CenturyLink treats this information as confidential and does not customarily release it to the public. As such, this information is entitled to confidential treatment under Exemption 4 of the Freedom of Information Act,² 47 C.F.R. § 0.459 and the *Modified Protective Order*.

Pursuant to the *Modified Protective Order*, CenturyLink is filing one hard copy of the non-redacted submission with the Office of the Secretary (with an extra copy to be stamped and returned) and two hard copies of the non-redacted submission are being served on Marvin Sacks of the Wireline Competition Bureau. And, a machine-readable copy of the redacted submission (with the confidential information omitted) is being filed via ECFS.

Sincerely,

/s/ Melissa E. Newman

Copy (redacted) (via email) to:

Deena Shetler
Nicholas Alexander
Pamela Arluk
Daniel Shiman
Jack Erb
Jamie Susskind
Ben Childers
Steven Rosenberg
Eric Ralph
Elizabeth McIntyre

¹ See *In the Matter of Special Access Rates for Price Cap Local Exchange Carriers*, Modified Protective Order, 25 FCC Rcd 15168 (2010) (*Modified Protective Order*).

² 5 U.S.C. § 552(b)(4).

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